

House _____ Amendment NO. _____

Offered By

1 AMEND Senate Substitute for Senate Committee Substitute for Senate Bill No. 398, Page 1,
2 Section A, Line 3, by inserting after all of said section and line the following:

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4 "144.020. 1. A tax is hereby levied and imposed for the privilege of titling new and used
5 motor vehicles, trailers, boats, and outboard motors purchased or acquired for use on the highways
6 or waters of this state which are required to be titled under the laws of the state of Missouri and,
7 except as provided in subdivision (9) of this subsection, upon all sellers for the privilege of engaging
8 in the business of selling tangible personal property or rendering taxable service at retail in this
9 state. The rate of tax shall be as follows:

10 (1) Upon every retail sale in this state of tangible personal property, excluding motor
11 vehicles, trailers, motorcycles, mopeds, motortricycles, boats and outboard motors required to be
12 titled under the laws of the state of Missouri and subject to tax under subdivision (9) of this
13 subsection, a tax equivalent to four percent of the purchase price paid or charged, or in case such
14 sale involves the exchange of property, a tax equivalent to four percent of the consideration paid or
15 charged, including the fair market value of the property exchanged at the time and place of the
16 exchange, except as otherwise provided in section 144.025;

17 (2) A tax equivalent to four percent of the amount paid for admission and seating
18 accommodations, or fees paid to, or in any place of amusement, entertainment or recreation, games
19 and athletic events, except amounts paid for any instructional class;

20 (3) A tax equivalent to four percent of the basic rate paid or charged on all sales of
21 electricity or electrical current, water and gas, natural or artificial, to domestic, commercial or
22 industrial consumers;

23 (4) (a) A tax equivalent to four percent on the basic rate paid or charged on all sales of local
24 and long distance telecommunications service to telecommunications subscribers and to others
25 through equipment of telecommunications subscribers for the transmission of messages and
26 conversations and upon the sale, rental or leasing of all equipment or services pertaining or
27 incidental thereto; except that, the payment made by telecommunications subscribers or others,
28 pursuant to section 144.060, and any amounts paid for access to the internet or interactive computer
29 services shall not be considered as amounts paid for telecommunications services;

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1 (b) If local and long distance telecommunications services subject to tax under this
2 subdivision are aggregated with and not separately stated from charges for telecommunications
3 service or other services not subject to tax under this subdivision, including, but not limited to,
4 interstate or international telecommunications services, then the charges for nontaxable services may
5 be subject to taxation unless the telecommunications provider can identify by reasonable and
6 verifiable standards such portion of the charges not subject to such tax from its books and records
7 that are kept in the regular course of business, including, but not limited to, financial statement,
8 general ledgers, invoice and billing systems and reports, and reports for regulatory tariffs and other
9 regulatory matters;

10 (c) A telecommunications provider shall notify the director of revenue of its intention to
11 utilize the standards described in paragraph (b) of this subdivision to determine the charges that are
12 subject to sales tax under this subdivision. Such notification shall be in writing and shall meet
13 standardized criteria established by the department regarding the form and format of such notice;

14 (d) The director of revenue may promulgate and enforce reasonable rules and regulations for
15 the administration and enforcement of the provisions of this subdivision. Any rule or portion of a
16 rule, as that term is defined in section 536.010, that is created under the authority delegated in this
17 section shall become effective only if it complies with and is subject to all of the provisions of
18 chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and
19 if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the
20 effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the
21 grant of rulemaking authority and any rule proposed or adopted after August 28, 2019, shall be
22 invalid and void;

23 (5) A tax equivalent to four percent of the basic rate paid or charged for all sales of services
24 for transmission of messages of telegraph companies;

25 (6) A tax equivalent to four percent on the amount of sales or charges for all rooms, meals
26 and drinks furnished at any hotel, motel, tavern, inn, restaurant, eating house, drugstore, dining car,
27 tourist cabin, tourist camp or other place in which rooms, meals or drinks are regularly served to the
28 public. The tax imposed under this subdivision shall not apply to any automatic mandatory gratuity
29 for a large group imposed by a restaurant when such gratuity is reported as employee tip income and
30 the restaurant withholds income tax under section 143.191 on such gratuity;

31 (7) A tax equivalent to four percent of the amount paid or charged for intrastate tickets by
32 every person operating a railroad, sleeping car, dining car, express car, boat, airplane and such buses
33 and trucks as are licensed by the division of motor carrier and railroad safety of the department of
34 economic development of Missouri, engaged in the transportation of persons for hire;

35 (8) A tax equivalent to four percent of the amount paid or charged for rental or lease of
36 tangible personal property, provided that if the lessor or renter of any tangible personal property had
37 previously purchased the property under the conditions of sale at retail or leased or rented the
38 property and the tax was paid at the time of purchase, lease or rental, the lessor, sublessor, renter or
39 subrenter shall not apply or collect the tax on the subsequent lease, sublease, rental or subrental

1 receipts from that property. The purchase, rental or lease of motor vehicles, trailers, motorcycles,
2 mopeds, motortricycles, boats, and outboard motors shall be taxed and the tax paid as provided in
3 this section and section 144.070. In no event shall the rental or lease of boats and outboard motors
4 be considered a sale, charge, or fee to, for or in places of amusement, entertainment or recreation
5 nor shall any such rental or lease be subject to any tax imposed to, for, or in such places of
6 amusement, entertainment or recreation. Rental and leased boats or outboard motors shall be taxed
7 under the provisions of the sales tax laws as provided under such laws for motor vehicles and
8 trailers. Tangible personal property which is exempt from the sales or use tax under section 144.030
9 upon a sale thereof is likewise exempt from the sales or use tax upon the lease or rental thereof;

10 (9) A tax equivalent to four percent of the purchase price, as defined in section 144.070, of
11 new and used motor vehicles, trailers, boats, and outboard motors purchased or acquired for use on
12 the highways or waters of this state which are required to be registered under the laws of the state of
13 Missouri. This tax is imposed on the person titling such property, and shall be paid according to the
14 procedures in section 144.070 or 144.440.

15 2. All tickets sold which are sold under the provisions of this chapter which are subject to
16 the sales tax shall have printed, stamped or otherwise endorsed thereon, the words "This ticket is
17 subject to a sales tax."

18 144.070. 1. At the time the owner of any new or used motor vehicle, trailer, boat, or
19 outboard motor which was acquired in a transaction subject to sales tax under the Missouri sales tax
20 law makes application to the director of revenue for an official certificate of title and the registration
21 of the motor vehicle, trailer, boat, or outboard motor as otherwise provided by law, the owner shall
22 present to the director of revenue evidence satisfactory to the director of revenue showing the
23 purchase price exclusive of any charge incident to the extension of credit paid by or charged to the
24 applicant in the acquisition of the motor vehicle, trailer, boat, or outboard motor, or that no sales tax
25 was incurred in its acquisition, and if sales tax was incurred in its acquisition, the applicant shall pay
26 or cause to be paid to the director of revenue the sales tax provided by the Missouri sales tax law in
27 addition to the registration fees now or hereafter required according to law, and the director of
28 revenue shall not issue a certificate of title for any new or used motor vehicle, trailer, boat, or
29 outboard motor subject to sales tax as provided in the Missouri sales tax law until the tax levied for
30 the sale of the same under sections 144.010 to 144.510 has been paid as provided in this section or is
31 registered under the provisions of subsection 5 of this section.

32 2. As used in subsection 1 of this section, the term "purchase price" shall mean the total
33 amount of the contract price agreed upon between the seller and the applicant in the acquisition of
34 the motor vehicle, trailer, boat, or outboard motor, regardless of the medium of payment therefor.

35 3. In the event that the purchase price is unknown or undisclosed, or that the evidence
36 thereof is not satisfactory to the director of revenue, the same shall be fixed by appraisalment by the
37 director.

38 4. The director of the department of revenue shall endorse upon the official certificate of
39 title issued by the director upon such application an entry showing that such sales tax has been paid

1 or that the motor vehicle, trailer, boat, or outboard motor represented by such certificate is exempt
2 from sales tax and state the ground for such exemption.

3 5. Any person, company, or corporation engaged in the business of renting or leasing motor
4 vehicles, trailers, boats, or outboard motors, which are to be used exclusively for rental or lease
5 purposes, and not for resale, may apply to the director of revenue for authority to operate as a
6 leasing or rental company and pay an annual fee of two hundred fifty dollars for such authority.

7 Any company approved by the director of revenue may pay the tax due on any motor vehicle, trailer,
8 boat, or outboard motor as required in section 144.020 at the time of registration thereof or in lieu
9 thereof may pay a sales tax as provided in sections 144.010, 144.020, 144.070 and 144.440. A sales
10 tax shall be charged to and paid by a leasing company which does not exercise the option of paying
11 in accordance with section 144.020, on the amount charged for each rental or lease agreement while
12 the motor vehicle, trailer, boat, or outboard motor is domiciled in this state. Any motor vehicle,
13 trailer, boat, or outboard motor which is leased as the result of a contract executed in this state shall
14 be presumed to be domiciled in this state.

15 6. Every applicant to be a registered fleet owner as described in subsections 6 to 10 of
16 section 301.032 shall furnish with the application to operate as a registered fleet owner a corporate
17 surety bond or irrevocable letter of credit, as defined in section 400.5-102, issued by any state or
18 federal financial institution in the penal sum of one hundred thousand dollars, on a form approved
19 by the department. The bond or irrevocable letter of credit shall be conditioned upon the registered
20 fleet owner complying with the provisions of any statutes applicable to registered fleet owners, and
21 the bond shall be an indemnity for any loss sustained by reason of the acts of the person bonded
22 when such acts constitute grounds for the suspension or revocation of the registered fleet owner
23 license. The bond shall be executed in the name of the state of Missouri for the benefit of all
24 aggrieved parties or the irrevocable letter of credit shall name the state of Missouri as the
25 beneficiary; except that, the aggregate liability of the surety or financial institution to the aggrieved
26 parties shall, in no event, exceed the amount of the bond or irrevocable letter of credit. The
27 proceeds of the bond or irrevocable letter of credit shall be paid upon receipt by the department of a
28 final judgment from a Missouri court of competent jurisdiction against the principal and in favor of
29 an aggrieved party.

30 7. Any corporation may have one or more of its divisions separately apply to the director of
31 revenue for authorization to operate as a leasing company, provided that the corporation:

32 (1) Has filed a written consent with the director authorizing any of its divisions to apply for
33 such authority;

34 (2) Is authorized to do business in Missouri;

35 (3) Has agreed to treat any sale of a motor vehicle, trailer, boat, or outboard motor from one
36 of its divisions to another of its divisions as a sale at retail;

37 (4) Has registered under the fictitious name provisions of sections 417.200 to 417.230 each
38 of its divisions doing business in Missouri as a leasing company; and

1 (5) Operates each of its divisions on a basis separate from each of its other divisions.
2 However, when the transfer of a motor vehicle, trailer, boat or outboard motor occurs within a
3 corporation which holds a license to operate as a motor vehicle or boat dealer pursuant to sections
4 301.550 to 301.573 the provisions in subdivision (3) of this subsection shall not apply.

5 8. If the owner of any motor vehicle, trailer, boat, or outboard motor desires to charge and
6 collect sales tax as provided in this section, the owner shall make application to the director of
7 revenue for a permit to operate as a motor vehicle, trailer, boat, or outboard motor leasing company.
8 The director of revenue shall promulgate rules and regulations determining the qualifications of
9 such a company, and the method of collection and reporting of sales tax charged and collected.
10 Such regulations shall apply only to owners of motor vehicles, trailers, boats, or outboard motors,
11 electing to qualify as motor vehicle, trailer, boat, or outboard motor leasing companies under the
12 provisions of subsection 5 of this section, and no motor vehicle renting or leasing, trailer renting or
13 leasing, or boat or outboard motor renting or leasing company can come under sections 144.010,
14 144.020, 144.070 and 144.440 unless all motor vehicles, trailers, boats, and outboard motors held
15 for renting and leasing are included.

16 9. Any person, company, or corporation engaged in the business of renting or leasing three
17 thousand five hundred or more motor vehicles which are to be used exclusively for rental or leasing
18 purposes and not for resale, and that has applied to the director of revenue for authority to operate as
19 a leasing company may also operate as a registered fleet owner as prescribed in section 301.032.

20 10. Beginning July 1, 2010, any motor vehicle dealer licensed under section 301.560
21 engaged in the business of selling motor vehicles or trailers ~~[may]~~ shall apply to the director of
22 revenue for authority to collect and remit the sales tax required under this section on all motor
23 vehicles sold by the motor vehicle dealer. A motor vehicle dealer receiving authority to collect and
24 remit the tax is subject to all provisions under sections 144.010 to 144.525. Any motor vehicle
25 dealer authorized to collect and remit sales taxes on motor vehicles under this subsection shall be
26 entitled to deduct and retain an amount equal to two percent of the motor vehicle sales tax pursuant
27 to section 144.140. Any amount of the tax collected under this subsection that is retained by a
28 motor vehicle dealer pursuant to section 144.140 shall not constitute state revenue. In no event shall
29 revenues from the general revenue fund or any other state fund be utilized to compensate motor
30 vehicle dealers for their role in collecting and remitting sales taxes on motor vehicles. In the event
31 this subsection or any portion thereof is held to violate Article IV, Section 30(b) of the Missouri
32 Constitution, no motor vehicle dealer shall be authorized to collect and remit sales taxes on motor
33 vehicles under this section. No motor vehicle dealer shall seek compensation from the state of
34 Missouri or its agencies if a court of competent jurisdiction declares that the retention of two percent
35 of the motor vehicle sales tax is unconstitutional and orders the return of such revenues.

36 11. (1) Every motor vehicle dealer licensed under section 301.560, as soon as
37 technologically possible following the development and maintenance of a modernized, integrated
38 system for the titling of vehicles, issuance and renewal of vehicle registrations, issuance and
39 renewal of driver's licenses and identification cards, and perfection and release of liens and

1 encumbrances on vehicles, to be funded by the motor vehicle administration technology fund as
2 created in section 301.558, shall collect and remit the sales tax required under this section on all
3 motor vehicles that such dealer sells. In collecting and remitting this sales tax, motor vehicle
4 dealers shall be subject to all applicable provisions under sections 144.010 to 144.527.

5 (2) The director of revenue may promulgate all necessary rules and regulations for the
6 administration of this subsection. Any rule or portion of a rule, as that term is defined in section
7 536.010, that is created under the authority delegated in this subsection shall become effective only
8 if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section
9 536.028. This subsection and chapter 536 are nonseverable and if any of the powers vested with the
10 general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and
11 annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any
12 rule proposed or adopted after August 28, 2023, shall be invalid and void."; and

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14 Further amend said bill by amending the title, enacting clause, and intersectional references
15 accordingly.